

CHOI & PARK, LLC

Attorneys for Creditor
Winiadaewoo Electronics America, Inc.
Chull S. Park, Esq.
Hyun Suk Choi, Esq.
11 Broadway, Suite 615
New York, New York 10004
Tel.: 212.695.0010
Fax: 212.695.0015

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**SEARS HOLDINGS CORPORATION, et al.,

Debtors.¹**

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**LIMITED OBJECTION OF WINIADAEWOO ELECTRONICS AMERICA, INC. TO
DEBTORS' NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN
CONNECTION WITH GLOBAL SALE TRANSACTIONS**

Winiadaewoo Electronics America, Inc. ("WEA"), by and through its undersigned counsel, hereby submits this Limited Objection to the Debtors' Notice of Cure Costs and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with the Global Sale Transaction (the “Cure Notice”), as follows:

1. WEA is a manufacturer and supplier of certain home appliance products (“Products”).
2. WEA and the Debtors entered into a Supply Agreement for the Products dated July 18, 2016 (“Supply Agreement”).
3. Pursuant to the terms of the Supply Agreement, the Supply Agreement expires on July 17, 2019.
4. On January 18, 2019, the Debtors served the Cure Notice which listed the Supply Agreement as a contract that may be assumed and assigned in connection with the sale of certain assets by Debtors.
5. At Line 7620 of Exhibit A of the Cure Notice, October 15, 2018 is listed as the “Contract Executed Date” and there is no “Contract Expiration Date” provided. See Docket 1731 (Exh. A, Line 7620.)
6. Pursuant to the Supply Agreement, the actual “Contract Executed Date” is July 18, 2016 and the “Contract Expiration Date” is July 17, 2019.
7. Additionally, Debtors failed to state a cure amount. Id.
8. On November 2, 2018, WEA filed Proofs of Claim against the Debtors which are incorporated herein by reference, and include supporting documentation concerning the cure amount due under the Supply Agreement.
9. As of January 23, 2019, the cure amount due under the Supply Agreement including the amount the Debtors owe to WEA in relation to the Products supplied to the Debtors after the Debtors filed this Chapter 11 case is **\$24,115,615.17**. (“Actual Cure Amount”).

10. Accordingly, WEA objects to (1) the incorrectly stated “Contract Executed Date” and “Contract Expiration Date” and (2) the cure amount to the extent such amount is less than the Actual Cure Amount.

11. WEA reserves the right to contest the assumption, assignment or rejection of the Supply Agreement.

Dated: January 25, 2019

CHOI & PARK, LLC
Attorneys for Creditor Winiadaewoo
Electronics America, Inc.

/s/ Hyun Suk Choi
Hyun Suk Choi, Esq.

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Winiadaewoo Electronics America, Inc.
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(Jointly Administered)

CERTIFICATE OF SERVICE

I, Hyun Suk Choi, Esq., hereby certify that on January 25, 2019:

The Limited Objection of Winiadaewoo Electronics America, Inc. to the Debtors' Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with the Global Sale Transaction was served on the following:

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1. The parties requesting ECF notifications via the Court's CM/ECF case notification system;

2. All other parties requesting notice pursuant to Rule 2002 and in accordance with this Court's Amended Order Implementing Certain Notice and Case Management Procedures entered on November 1, 2018 [Docket No. 405];

3. The parties set forth below by regular, first class mail:

- a. Chambers of the Honorable Judge Robert D. Drain
United States Bankruptcy Court for the Southern District of New York
300 Quarropas Street, Room 248
White Plains, New York 10601
- b. Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn: Stephen Sitley Esq.
Luke J. Valentino, Esq.
- c. Office of the United States Trustee for Region 2
201 Varick Street, Suite 1006
New York, New York 10014
Attn: Paul Schwartzberg, Esq.

4. The parties set forth below by electronic mail:

- a. Debtors
Rob Riecker - rob.riecker@searshc.com
Luke Valentino - luke.valentino@searshc.com
Mohsin Meghji - mmeghji@miiipartners.com
- b. Debtors' Counsel
Weil, Gotshal & Manges LLP
767 Fifth Avenue New York, New York 10153
Attn: Ray C. Schrock, P.C.
Jacqueline Marcus, Esq.
Garret A. Fail, Esq.
Sunny Singh, Esq.
ray.schrock@weil.com; garrett.fail@weil.com;
jacqueline.marcus@weil.com; sunny.singh@weil.com
- c. Attorneys for Bank of America, N.A., administrative agent under the First Lien Credit Facility and the DIP ABL Agent
Skadden, Arps, Slate, Meagher & Flom LLP

4 Times Square New York, NY 10036
Attn: Paul D. Leake, Esq.
Shana A. Elberg, Esq.
George R. Howard, Esq.
paul.leake@skadden.com; shana.elberg@skadden.com;
george.howard@skadden.com

- d. Attorneys for Citibank, N.A., as administrative agent under the Stand-Alone L/C Facility
Davis Polk & Wardell LLP
450 Lexington Avenue New York, NY 10017
Attn: Marshall S. Huebner, Esq.
Eli J. Vonnegut, Esq.
marshall.huebner@davispolk.com; eli.vonnegut@davispolk.com
- e. Attorneys for JPP, LLC, as agent under the Second Lien Credit Facility, IP/Ground Lease Term Loan Facility, and the Consolidated Secured Loan Facility
Cleary, Gottlieb
One Liberty Plaza New York, NY 10006
Attn: Sean A. O'Neal, Esq.
soneal@cgsh.com
- f. Attorneys for Computershare Trust Company, N.A., as trustee for the Second Lien PIK Notes, the Holdings Unsecured PIK Notes, and the Holdings Unsecured Notes
Kelley Drye & Warren LLP
101 Park Avenue New York, NY 10178
Attn: Eric R. Wilson, Esq.
Benjamin D. Feder, Esq.
T. Charlie Liu, Esq.
ewilson@kelleydrye.com; bfeder@kelleydrye.com; cliu@kelleydrye.com
- g. Attorneys for Wilmington Trust, National Association, as indenture trustee for the Second Lien Notes Seyfarth Shaw, LLP
620 Eighth Avenue New York, NY 10018
Attn: Edward M. Fox, Esq.
emfox@seyfarth.com
- h. Attorneys for The Bank of New York Mellon Trust Company, as successor trustee for the SRAC Unsecured PIK Notes, SRAC Unsecured Notes, and the SRAC Medium Term Notes
Carter Ledyard & Milburn LLP
2 Wall Street New York, NY 10015
Attn: James Gadsden, Esq.
gadsden@clm.com
- i. Attorneys for the Pension Benefit Guaranty Corporation

Locke Lord LLP
111 South Wacker Drive Chicago, IL 60606
Attn: Brian A. Raynor, Esq.
braynor@lockelord.com

- j. Attorneys for the Official Committee of Unsecured Creditors
Akin Gump Strauss Hauer & Feld LLP
One Bryant Park New York, New York 10036
Attn: Philip C. Dublin, Esq.
Ira Dizengoff, Esq.
Sara Lynne Brauner, Esq.
pdublin@akingump.com; idizengoff@akingump.com;
sbrauner@akingump.com
- k. Attorneys to Wells Fargo Bank, National Association
Choate, Hall & Stewart LLP
Two International Place Boston, MA 02110
ksimard@choate.com; jmarshall@choate.com
- l. Debtors' Investment Banker
Lazard Frères & Co., LLC
30 Rockefeller Plaza, New York, New York 10112
Attn: Brandon Aebersold
Levi Quaintance
project.blue.rx@lazard.com
- m. Buyer
Transform Holdco LLC
c/o ESL Partners, Inc.
1170 Kane Concourse, Suite 200 Bay Harbor Islands, FL 33154
Attn.: Kunal S. Kamlani
Harold Talisman
kunal@eslinvest.com; harold@eslinvest.com

Dated: January 25, 2019

CHOI & PARK, LLC
Attorneys for Creditor Winiadaewoo
Electronics America, Inc.

/s/ Hyun Suk Choi
Hyun Suk Choi, Esq.